

NORTH DAKOTA PUBLIC SERVICE COMMISSION
May 22, 2002

**Montana-Dakota Utilities Co., a Division of
MDU Resources Group, Inc.
June 2002
Purchased Gas Adjustment-Natural Gas**

**PU-399-02-231
Filed 05/10/2002**

SUMMARY OF PROPOSAL:

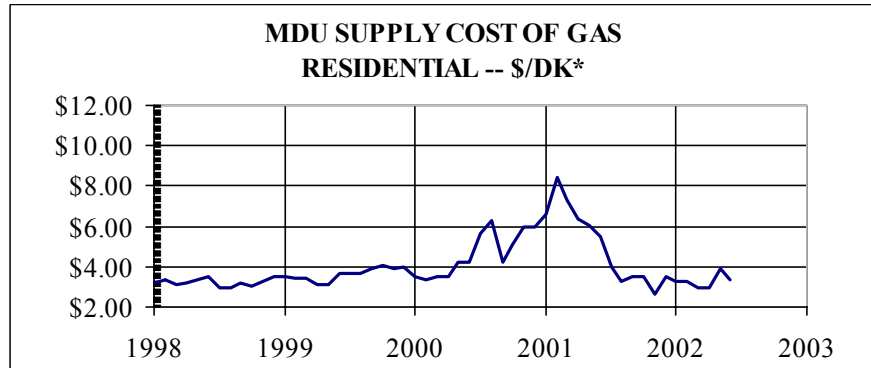
For gas bills issued during June 2002, MDU is decreasing its purchased gas adjustment by \$.551 per dekatherm for residential and firm general service customers. This changes the current purchased gas adjustment from \$.259 per dk to negative \$.292 per dk.

The change in the purchased gas adjustment for residential customers results from:

- \$.551 per dk decrease in the commodity cost of gas

The resulting supply cost of gas for May usage is \$3.377.

The Department of Energy's Energy Information Administration reports that, although storage levels at the end of the heating season are much higher than average, the recent cold snap as well as uncertainties in the level of domestic economic recovery, level of gas usage for electric generating plants, world oil market stability, and gas drilling rig activity have raised predicted prices. Additionally, 2003 gas prices are expected to be higher than the current year's average projected price.



This PGA change will decrease the June bill for a typical residential customer with usage of 2.2 dk by \$1.21. There were 83,190 MDU customers in North Dakota as of March 31, 2002.

The Department of Energy's (DOE) Energy Information Administration (EIA) provides various publications on energy issues. The information is available on the EIA's website: <http://www.eia.doe.gov>.

M O T I O N

May 22, 2002

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MDU Resources Group, Inc.
June 2002
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Case No. PU-399-02-231

I move the Commission approve Montana-Dakota Utilities Co.'s Natural Gas
Purchased Gas Adjustment for June 2002, Case No. PU-399-02-231.

PJF/sdh